

Message Text

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C O N F I D E N T I A L KINSHASA 0497

LIMDIS

E.O. 11652: GDS

TAGS: PRFOR, CG

SUBJECT: MEETING WITH NGUZA KARL-I-BOND, MPR

POLITICAL DIRECTOR

1. NGUZA KARL-I-BOND, MPR POLITICAL DIRECTOR AND DEVOTED MOBUTU DISCIPLE, SPENT OVER HOUR JANUARY 17 EXPLAINING TO ME--AT TIMES PASSIONATELY--WHAT IS GOING ON HERE. I PLAYED ROLE OF FRIENDLY SCEPTIC. SCEPTICISM ABOUT SOME OF WHAT I HEARD COMES EASILY.

2. NGUZA STARTED WITH AGRICULTURE AND CONSTANTLY RETURNED TO PROBLEMS ASSOCIATED WITH ACHIEVING AGRICULTURAL SELF-SUFFICIENCY. WE HAVE, HE SAID "ONLY OUR ARMS" TO DO JOB., THE UNEMPLOYED MUST BE MOBILIZED; RURAL-URBAN EXODUS MUST BE REVERSED; UNEMPLOYED IN THE BIG CITIES MUST CREATE GREEN BELTS AROUND CITIES AND THEY MUST BUILD ROADS TO MORE DISTANT AGRICULTURAL PRODUCTIVE AREAS. CHINESE HAVE SUCCEEDED WITH THEIR AGRICULTURAL PROGRAM AND WE MUST ADAPT THEIR "SECRETS" TO ZAIRE. A CENSUS OF UNEMPLOYED IS UNDERWAY AND THEY WILL BE PUT TO WORK. THERE WILL BE RESISTANCE BUT IT WILL BE OVERCOME. THEY WOULD BE PAID AND THAT WOULD BE COSTLY, BUT NOT AS COSTLY AS HAVING UNEMPLOYED CONSUMERS OR IMPORTING FOOD OR TRACTORS. FERTILIZER IMPORTS WOULD BE NECESSARY AND PERHAPS US WOULD HELP. CHINESE AGRICULTURAL TECHNICIANS WOULD BE

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UTILIZED; PERHAPS NORTH KOREANS WOULD HELP WITH ROAD

PROGRAM BUT AMERICAN FIRMS WOULD BE WELCOME TO CONTRACT FOR BASIC ENGINEERING STUDIES.

3. IT WAS LIE TO SAY ZAIRE WAS GOING COMMUNIST. CLUMSY SOVIETS STILL WANT TO IMPOSE THEIR IDEOLOGY HERE WHILE DECLINING TO PROVIDE HELP WHERE ZAIRE NEEDS HELP. CHINESE, HOWEVER, UNDERSTOOD NEED TO AVOID POLITICAL ACTIVITIES AND RESPONDED TO ZAIRE'S NEEDS. ZAIRE KNEW THAT THEY NEEDED WEST AND WOULD SEEK TO GET FROM EACH COUNTRY WHAT IT COULD BEST OFFER TO ZAIRE. MERCEDES WERE NOT NEEDED BUT FERTILIZER WAS. HE AND GOVERNMENT HAD MADE CLEAR THAT FOREIGN INVESTMENT WAS WANTED AND AGREEMENTS WOULD BE RESPECTED, YET WALL STREET JOURNAL HAD DISTORTED SITUATION. HE HOPED I WOULD EXPLAIN THAT ZAIRE VIEWS OF US AND OF FOREIGN INVESTMENT WERE UNCHANGED. HE THOUGHT, IN RESPONSE TO MY SUGGESTION, THAT MOBUTU WOULD RECEIVE AMERICAN CONGRESSMEN NEXT WEEK AND WOULD HIMSELF MAKE CLEAR THAT WHAT ZAIRE IS DOING IS PRO-ZAIRE AND NOT ANTI-WEST. NGUZA SAID HE REGRETTED HAVING TO WITHDRAW HIS CHILDREN FROM AMERICAN SCHOOL HERE BUT HE AGREED WITH PRESIDENT THAT "POLITICAL GESTURE" WAS NECESSARY--ALL ZAIRIAN CHILDREN SHOULD GO TO ZAIRIAN SCHOOLS. HE HOPED, HOWEVER, THAT HIS CHILDREN AND OTHERS COULD SUPPLEMENT THEIR EDUCATION THROUGH PART-TIME CONTINUATION IN "CONSULAR SCHOOLS."

4. REGARDING NATIONALIZATION PROGRAM, HE STRESSED THAT THIS TIME IT APPLIED ESSENTIALLY TO ZAIRIAN FIRMS AND, EXCEPT FOR CONSTRUCTION MAINLY TO LARGE FIRMS. (HIS OUTER OFFICE WAS ALMOST FILLED WITH COMPUTER RUNS, WHICH I WAS TOLD CLASSIFIED ALL BUSINESS IN ZAIRE BY VARIOUS CRITERIA INCLUDING TURNOVER AND NUMBER EMPLOYEES). IN US, WE USED TAX SYSTEM" TO KILL OVERLY RICH" BUT ZAIRE'S TAX ADMINISTRATION WAS NOT WELL ENOUGH ORGANIZED. THUS, WHILE PRIVATE INITIATIVE WOULD BE MAINTAINED IN SMALL AND MEDIUM ENTERPRISES, LARGE FIRMS WOULD BE STATE OWNED. MOBUTU WOULD ALSO PUT CEILING ON EXTENT OF AGRICULTURAL ACTIVITIES. HE STILL UNCERTAIN ABOUT HOW TO DO IT, BUT NO ONE WOULD BE PERMITTED TO DOMINATE ANY REGION OF COUNTRY. THEY RECONGNIZED THERE WAS DANGER OF

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MISMANAGEMENT OF NATIONALIZED FIRMS. CIVIL SERVANTS ON 7 TO 3 SCHEDULES WERE NOT PROPERLY MOTIVATED. TENTATIVE SOLUTION THEREFORE WAS TO ASSIGN EXPERIENCED BUSINESSMEN WHOSE PRIDE AND REPUTATION WOULD BE AT STAKE TO MANAGE FIRM FOR STATE. IN ADDITION, COMMITTEES REPRESENTING POLITICAL LEVEL, TECHNICAL MINISTRY, LABOR AND "PEOPLE" WOULD OVERSEE EACH MANAGER. PROFIT YARDSTICK WOULD BE USED AS KEY BASIS FOR JUDGMENT ON HOW THINGS WERE GOING. THIS

WAS TENTATIVE SOLUTION AND IF IT DID NOT WORK, ANOTHER MECHANISM WOULD BE FOUND. THROUGH NGUZA ANTICIPATED SOME DIFFICULTIES IN ORGANIZING UNEMPLOYED, HE ALLEGED ARMY WAS ENTHUSIASTIC OVER ITS NEW ROLE AS AGRICULTURAL AND ROAD BUILDING LABOR FORCE. HE SAID MILITARY ACCEPTED JUDGMENT THAT ARMY WAS COSTLY, NON-PRODUCTIVE BODY WHICH HAD NO WARS TO FIGHT AND THEREFORE SHOULD BE USED BETTER.

5. WHEN I SUGGESTED THAT IT MIGHT BE DANGEROUS PROMISE PEOPLE UNEMPLOYMENT WOULD BE ENDED THIS YEAR, NGUZA DENIED PRESIDENT HAD EVER SAID ANY SUCH THING. RATHER, HE SAID PRESIDENT, IN STADIUM SPEECH, ASKED FOR FIVE YEARS TO MAKE MAJOR PROGRESS ON THESE QUESTION. ALL CONCERNED WERE WELL AWARE JOB WAS ENORMOUS AND THAT ONLY GOOD BEGINNING COULD BE MADE.

6. WHEN I ASKED ABOUT PRICE INCENTIVES IN AGRICULTURAL SECTOR, NGUZA WAS ATTENTIVE BUT CLEARLY MORE INTERESTED IN "ORGANIZING PRODUCTION" AND "CONTROLLING PRICES."

7. NGUZA ADMITTED TO BEING TIRED; HE LOOKED IT, BUT SAID HE WAS TIRED "IN GOOD CAUSE." INDEED, HE SEEMED TO BE EXHILARATED AND CONFIDENT; IN FACT, MORE CONFIDENT THAT I CAN SEE REASON FOR. WHILE MOBUTU IS RIGHT IN SEEKING LABOR INTENSIVE APPROACH TO DEVELOPMENT HE UNDERESTIMATES DIFFICULTIES. YET NGUZA STRESSED THAT PRAGMATIC ADAPTATIONS WOULD BE MADE AS NECESSARY AS ZAIRE PUSHED TOWARD 1980 OBJECTIVES.

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